

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART C	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart C--Operating Revenues and Certain Income Accounts</p> <p>Operating Revenues</p> <p>Sec. 36.213 Network access services revenues.</p> <p>(a) End User Revenue--Account 5081. Revenues in this account are directly assigned on the basis of analysis and studies.</p> <p>(b) Switched Access Revenue--Account 5082. Revenues in this account are directly assigned on the basis of analysis and studies.</p> <p>(c) Special Access Revenue--Account 5083. Revenues in this account are directly assigned on the basis of analysis and studies.</p> <p>[52 FR 17299, May 6, 1987, as amended at 69 FR 12550, Mar. 17, 2004]</p>	X	
<p>Subpart C--Operating Revenues and Certain Income Accounts</p> <p>Operating Revenues</p> <p>Sec. 36.214 Long distance message revenue--Account 5100.</p> <p>(a) Wideband message service and TWX revenues from monthly and miscellaneous charges, service connections, move and change charges, are apportioned between state and interstate operations on the basis of the relative number of minutes-of-use in the study area. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Wideband Message Service and TWX revenues among the jurisdictions using the relative number of TWX minutes of use for the twelve-month period ending December 31, 2000.</p> <p>(b) Long Distance private line service revenues from broadcast program transmission audio services and broadcast program transmission video services are assigned to the interstate operation.</p> <p>(c) All other revenues in this account are directly assigned based on their subsidiary record categories or on the basis of analysis and studies.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001]</p>	X	
<p>Subpart C--Operating Revenues and Certain Income Accounts</p> <p>Operating Revenues</p> <p>Sec. 36.215 Miscellaneous revenue--Account 5200.</p> <p>(a) Directory revenues are assigned to the exchange operation.</p> <p>(b) Billing and collection revenues are assigned on the basis of services being provided.</p> <p>(c) All other revenues are apportioned on the basis of analysis.</p>	X	

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	For-bear	No Action (Does not apply to EST today)
<p>Subpart C--Operating Revenues and Certain Income Accounts Operating Revenues</p> <p>Sec. 36.216 Uncollectible revenue--Account 5300.</p> <p>The amounts in this account are apportioned among the operations on the basis of analysis during a representative period of the portion of Account 1171, Allowance for doubtful accounts, related to telecommunications billing.</p> <p>[69 FR 12551, Mar. 17, 2004]</p>	X	
<p>Subpart C--Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.221 Other operating income and expenses--Account 7100.</p> <p>(a) Amounts relating to translation in foreign exchange differentials are assigned to the interstate operations.</p> <p>(b) All other amounts are apportioned based on Telecommunications Plant in Service, Account 2001, if plant related, or on the nature of the item reflected in the account, if not plant related.</p>	X  X	
<p>Subpart C--Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.222 Nonoperating income and expenses--Account 7300.</p> <p>(a) Only allowance for funds used during construction, and charitable, social and community welfare contributions are considered in this account for separations purposes.</p> <p>(b) Subsidiary record categories should be maintained for this account that include identification of amounts made to the account for (1) credits representing allowance for funds used during construction and (2) contributions for charitable, social or community welfare purposes, employee activities, membership dues and fees in service clubs, community welfare association and similar organizations.</p> <p>(c) The portion reflecting allowance for funds used during construction is apportioned on the basis of the cost of Telecommunications Plant Under Construction--Account 2003. The portion reflecting costs for social and community welfare contributions and fees is apportioned on the basis of the apportionment of corporate operations expenses.</p> <p>[52 FR 17229, May 6, 1987, as amended at 60 FR 12138, Mar. 6, 1995]</p>	X  X  X	
<p>Subpart C--Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.223 Interest and related items--Account 7500.</p> <p>(a) Only interest paid relating to capital leases is considered in this account for separations purposes. Subsidiary Record Categories should be maintained for this account that include details relating to interest expense on capital leases. Such interest expense is apportioned on a basis consistent with the associated capital leases in Account 2680.</p>	X	

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	For-bear	No Action (Does not apply to BST today)
<p>Subpart C--Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.224 Extraordinary items--Account 7600.</p> <p>(a) Amounts in this account of an operating nature are apportioned on a basis consistent with the nature of these items.</p>	X	
<p>Subpart C—Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.225 Income effect of jurisdictional ratemaking differences--Account 7910.</p> <p>(a) Amounts in this account are directly assigned to the appropriate jurisdiction.</p>	X	

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## PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies

### Subpart D – Operating Expenses and Taxes

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart D--Operating Expenses and Taxes		
General		
Sec. 36.301 Section arrangement.		
(a) This subpart is arranged in sections as follows:	X	
General..... 36.301 and 36.302.		
Plant Specific Operations Expenses:		
General..... 36.310.		
Network Support/General Support Expenses--Accounts 6110 and 6120 (Class B Telephone Companies); Accounts 6112, 6113, 6114, 6121, 6122, 6123, and 6124 (Class A Telephone Companies). 36.311		
Central Office Expenses--Accounts 6210, 6220, 6230 (Class B Telephone Companies); Accounts 6211, 6212, 6220, 6231, and 6232 (Class A Telephone Companies). 36.321.		
Information Origination/Termination Expenses--Account 6310 (Class B Telephone Companies); Accounts 6311, 6341, 6351, and 6362 (Class A Telephone Companies). 36.331.		
Cable and Wire Facilities Expenses -- Account 6410 (Class B Telephone Companies); Accounts 6411, 6421, 6422, 6423, 6424, 6426, 6431, and 6441 (Class A Telephone Companies). 36.341.		
Plant Nonspecific Operations Expenses:		
General..... 36.351.		
Other Property Plant and Equipment Expenses--Account 6510 (Class B Telephone Companies); Accounts 6511 and 6512 (Class A Telephone Companies). 36.352.		
Network Operations Expenses--Account 6530 (Class B Telephone Companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A Telephone Companies). 36.353.		
Access Expenses--Account 6540..... 36.354.		
Depreciation and Amortization Expenses-- Account 6560. 36.361.		

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart D--Operating Expenses and Taxes General		
Sec. 36.301 Section arrangement.		
(a) This subpart is arranged in sections as follows: (continued)	X	
Customer Operations Expenses:		
General.....		36.371.
Marketing--Account 6610 (Class B Telephone Companies); Accounts 6611 and 6613 (Class A Telephone Companies).		36.372
Services--Account 6620.....		36.373.
Telephone Operator Services.....		36.374.
Published Directory Listing.....		36.375.
All Other.....		36.376.
Category 1--Local Bus. Office Expense..		36.377.
Category 2--Customer Services (Revenue Accounting).		36.378.
Message Processing Expense.....		36.379.
Other Billing and Collecting Expense...		36.380.
Carrier Access Charge Billing and Collecting Expense.		36.381.
Category 3--All other Customer Service Expense.		36.382.
Corporate Operations Expenses:		
General.....		36.391.
General and Administrative Expenses--Account 6720.		36.392.
Operating Taxes--Account 7200 (Class B Telephone Companies); Accounts 7210, 7220, 7230, 7240, and 7250 (Class A Telephone Companies).		36.411 and 36.412.
Equal Access Expenses.....		36.421.
[69 FR 12551, Mar. 17, 2004]		

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes General</p> <p>Sec. 36.302 General.</p> <p>(a) This section sets forth procedures for the apportionment among the operations of operating expenses and operating taxes.</p> <p>(b) As covered in Sec. 36.2 (c) and (d), the treatment of expenses relating to plant furnished to and obtained from others under rental arrangements is consistent with the treatment of such plant.</p> <p>(c) In accordance with requirements in part 32 Sec. 32.5999 (f) expenses recorded in the expense accounts are segregated in the accounting process among the following subsidiary record categories as appropriate to each account:</p> <p>Salaries and Wages Benefits Rents Other Expenses Clearances</p> <p>(1) Subsidiary Record Categories (SRC) for Salaries and Wages, Benefits and Other Expenses are applicable to all of the expense accounts except for:</p> <p>Access Expense contained in Account 6540 Depreciation and Amortization Expenses--Account 6560</p> <p>(i) SRC for access expenses are maintained to identify interstate and state access expense and billing and collection expense for carrier's carrier.</p> <p>(ii) Depreciation and Amortization Expense SRCs identify the character of the items contained in the account.</p> <p>(2) SRCs for Rents and Clearance are only applicable to the Plant Specific Operating Expense accounts 6110 thru 6410.</p>	<p>X</p> <p>X</p> <p>X</p>	

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Plant Specific Operations Expense</p> <p>Sec. 36.310 General.</p> <p>(a) Plant specific operations expenses include the following accounts:</p> <p>Network Support Expenses..... Account 6110 (Class B Telephone Companies); Accounts 6112, 6113, and 6114 (Class A Telephone Companies)</p> <p>General Support Expenses..... Account 6120 (Class B Telephone Companies); Accounts 6121, 6122, 6123, and 6124 (Class A Telephone Companies).</p> <p>Central Office Switching Expenses.....Account 6210 (Class B Telephone Companies); Accounts 6211 and 6212 (Class A Telephone Companies)</p> <p>Operator System Expenses..... Account 6220</p> <p>Central Office Transmission Expenses...Account 6230 (Class B Telephone Companies); Accounts 6231 and 6232 (Class A Telephone Companies).</p> <p>Information Origination/Termination Expenses... Account 6310 (Class B Telephone Companies); Accounts 6311, 6341, 6351, and 6362 (Class A Telephone Companies).</p> <p>Cable and Wire Facilities Expenses.....Account 6410 (Class B Telephone Companies); Accounts 6411, 6421, 6422, 6423, 6424, 6426, 6431, and 6441 (Class A Telephone Companies).</p> <p>(b) These accounts are used to record costs related to specific kinds of telecommunications plant and predominantly mirror the telecommunications plant in service detail accounts. Accordingly, these expense accounts will generally be apportioned in the same manner as the related plant accounts.</p> <p>(c) Except where property obtained from or furnished to other companies is treated as owned property by the company making the separation, and the related operating rents are excluded from the separation studies as set forth in Sec. 36.2 (c) and (d), amounts are apportioned among the operations on bases generally consistent with the treatment prescribed for similar plant costs and consistent with the relative magnitude of the items involved.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988; 69 FR 12551, Mar. 17, 2004]</p>	X	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Network Support/General Support Expenses</p> <p>Sec. 36.311 Network Support/General Support Expenses--Accounts 6110 and 6120 (Class B Telephone Companies); Accounts 6112, 6113, 6114, 6121, 6122, 6123, and 6124 (Class A Telephone Companies).</p> <p>(a) Network Support Expenses are expenses associated with motor vehicles, aircraft, special purpose vehicles, garage work equipment, and other work equipment. General Support Expenses are expenses associated with land and buildings, furniture and artworks, office equipment, and general purpose computers.</p> <p>(b) The expenses in these account are apportioned among the operations on the basis of the separation of account 2110, Land and Support Assets.</p>	X	
	X	

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Central Office Expenses</p> <p>Sec. 36.321 Central office expenses--Accounts 6210, 6220, and 6230 (Class B telephone companies); Accounts 6211, 6212, 6220, 6231, and 6232 (Class A telephone companies).</p> <p>(a) The expenses related to central office equipment are summarized in the following accounts:</p> <p>Central Office Switching Expense..... Account 6210 (Class B telephone companies); Accounts 6211 and 6212 (Class A telephone companies).</p> <p>Operator Systems Expense..... Account 6220.</p> <p>Central Office Transmission Expense.....Account 6230 (Class B telephone companies); Accounts 6231 and 6232 (Class A telephone companies).</p> <p>(b) The expense in these accounts are apportioned among the operations on the basis of the separation of the investments in central office equipment. Accounts 2210, 2220 and 2230, combined.</p> <p>[52 FR 17229, May 6, 1987, as amended at 69 FR 12552, Mar. 17, 2004]</p>	<p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Information Origination/Termination Expenses</p> <p>Sec. 36.331 Information origination/termination expenses--Account 6310 (Class B telephone companies); Accounts 6311, 6341, 6351, and 6362 (Class A telephone companies).</p> <p>(a) The expenses in this account are classified as follows:</p> <p>(1) Other Information Origination/Termination Equipment Expenses; Customer Premises Equipment Expenses</p> <p>(2) For some companies, these classifications are available from accounting records; for others, they are obtained by means of analyses of plant, accounting or other records for a representative period.</p> <p>(b) Other Information Origination/Termination Equipment Expenses include all expenses not associated with Customer Premises Equipment expenses. These expenses shall be apportioned between state and interstate operations in accordance with the apportionment of the related investment as per Sec. 36.142(a).</p> <p>(c) Expenses related to Customer Premises Equipment shall be assigned to the state operations.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Cable and Wire Facilities Expenses</p> <p>Sec. 36.341 Cable and wire facilities expenses--Account 6410 (Class B telephone companies); Accounts 6411, 6421, 6422, 6423, 6424, 6426, 6431, and 6441 (Class A telephone companies).</p> <p>(a) This account includes the expenses for poles, antenna supporting structures, aerial cable, underground cable, buried cable, submarine cable, deep sea cable, intrabuilding network cable, aerial wire, and conduit systems.</p> <p>(b) The general method of separating cable and wire facilities expenses among the operations is to assign them on the basis of Account 2410--Cable and Wire Facilities.</p>	<p>X</p> <p>X</p>	



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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Plant Nonspecific Operations Expenses</p> <p>Sec. 36.351 General.</p> <p>(a) Plant nonspecific operations expenses include the following accounts:</p> <p>Other Property Plant and Equipment Expenses .. Account 6510 (Class B telephone companies); Accounts 6511 and 6512 (Class A telephone companies). Network Operations Expenses..... Account 6530 (Class B telephone companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A telephone companies). Access Expenses..... Account 6540. Depreciation and Amortization Expenses.... Account 6560.</p> <p>[69 FR 12552, Mar. 17, 2004]</p>	X	
<p>Subpart D--Operating Expenses and Taxes Plant Expenses--Other</p> <p>Sec. 36.352 Other property plant and equipment expenses--Account 6510 (Class B telephone companies); Accounts 6511 and 6512 (Class A telephone companies).</p> <p>(a) This account is used to record the expenses associated with (1) property held for future telecommunications use and (2) the provisioning of material and supplies.</p> <p>(b) The expenses in this account are apportioned among the operations based on the separation of Account 2001--Telecommunications Plant in Service.</p>	X  X	
<p>Subpart D--Operating Expenses and Taxes Network Operations Expenses</p> <p>Sec. 36.353 Network operations expenses--Account 6530 (Class B telephone companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A telephone companies).</p> <p>(a) This account includes the expenses associated with the provisions of power, network administration, testing, plant operations administration, and engineering.</p> <p>(b) The expenses in this account are apportioned among the operations based on the separations of Account 2210, Central Office Switching, Account 2220 Operator Systems, Account 2230 Central Office Transmission, Account 2310, Information Origination/Termination and Account 2410, Cable and Wire Facilities, Combined.</p>	X  X	
<p>Subpart D--Operating Expenses and Taxes Network Operations Expenses</p> <p>Sec. 36.354 Access expenses--Account 6540.</p> <p>(a) This account includes access charges paid to exchange carriers for exchange access service. These are directly assigned to the appropriate jurisdiction based on subsidiary record categories or on analysis and study.</p>	X	

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Depreciation and Amortization Expenses</p> <p>Sec. 36.361 Depreciation and amortization expenses--Account 6560.</p> <p>(a) This account includes the depreciation expenses for telecommunications plant in service and for property held for future telecommunications use. It also includes the amortization expense for tangible and intangible assets.</p> <p>(b) Expenses recorded in this account shall be separated on the basis of the separation of the associated primary Plant Accounts or related categories.</p>	X	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.371 General.</p> <p>Customer Operations Expenses are included in the following accounts:</p> <p>Marketing..... Account 6610 (Class B telephone companies); Accounts 6611 and 6613 (Class A telephone companies). Services..... Account 6620.</p> <p>[69 FR 12552, Mar. 17, 2004]</p>	X	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.372 Marketing--Account 6610 (Class B telephone companies); Accounts 6611 and 6613 (Class A telephone companies).</p> <p>The expenses in this account are apportioned among the operations on the basis of an analysis of current billing for a representative period, excluding current billing on behalf of others and billing in connection with intercompany settlements. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion expenses in this account among the jurisdictions using the analysis, as specified in Sec. 36.372(a), during the twelve-month period ending December 31, 2000.</p> <p>[52 FR 32923, Sept. 1, 1987, as amended at 66 FR 33207, June 21, 2001]</p>	X	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.373 Services--Account 6620.</p> <p>(a) For apportionment purposes, the expenses in this account are first segregated on the basis of an analysis of job functions into the following classifications: Telephone operator services; publishing directory listing; and all other.</p> <p>(1) Expenses may be apportioned among the operations for groups of exchanges. A group of exchanges may include all exchanges in the study area.</p>	X	

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Customer Operations Expenses</p> <p>Sec. 36.374 Telephone operator services.</p> <p>(a) Expenses in this classification include costs incurred for operators in call completion service and number services. This includes intercept, quoting rates, directory information, time charges, and all other operator functions performed in the central office, private branch exchange, teletypewriter exchange, and at public telephone stations.</p> <p>(b) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Telephone operator expense classification based on the relative percentage assignment of the balance of Account 6620 to this classification during the twelve month period ending December 31, 2000.</p> <p>(c) Expenses in this classification are apportioned among the operations on the basis of the relative number of weighted standard work seconds as determined by analysis and study for a representative period.</p> <p>(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Telephone operator expenses among the jurisdictions using the relative number of weighted standard work seconds, as specified in Sec. 36.374(c), during the twelve-month period ending December 31, 2000.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33207, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.375 Published directory listing.</p> <p>(a) This classification includes expenses for preparing or purchasing, compiling and disseminating directory listings.</p> <p>(b) Published directory expense is assigned as follows:</p> <p>(1) Classified directory expense and all expense of soliciting advertising is assigned to the exchange operation.</p> <p>(2) TWX directory expense is assigned to State toll and interstate toll operations, respectively, on the basis of the relative number of TWX minutes-of-use.</p> <p>(3) The expense of alphabetical and street address directories and traffic information records is apportioned among the operations on the basis of the relative number of study area subscriber line minutes-of-use applicable to each operation.</p> <p>(4) The expense associated with directories and traffic information records prepared for one locality and used in another locality is known as "foreign directories expense." Such expense is assigned to the appropriate operation on the basis of the location of the point where used with respect to the locality for which the directories and records were prepared.</p> <p>(5) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41, shall assign the balance of Account 6620-Services to the classifications, as specified in Sec. Sec. 36.375(b)(1) through 36.375(b)(4), based on the relative percentage assignment of the balance of Account 6620 to these classifications during the twelve month period ending December 31, 2000.</p> <p>(6) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Published directory listing expenses using the underlying relative use measurements, as specified in Sec. Sec. 36.375(b)(1) through 36.375(b)(4), during the twelve-month period ending December 31, 2000. Direct assignment of any Publishing directory listing expense to the jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33207, June 21, 2001]</p>	<p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.376 All other.</p> <p>(a) For apportionment purposes this classification must be divided into three categories:</p> <p>(1) Category 1--Local Business Office Expense.</p> <p>(2) Category 2--Customer Services Expense.</p> <p>(3) Category 3--All Other Customer Services Expense.</p>	<p>X</p>	

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000.</p> <p>(1) End-user service order processing includes expenses related to the receipt and processing of end users' orders for service and inquiries concerning service. This subcategory does not include any service order processing expenses for services provided to the interexchange carriers. End user service order processing expenses are first segregated into the following subcategories based on the relative number of actual contacts which are weighted, if appropriate, to reflect differences in the average work time per contact: Local service order processing; presubscription; directory advertising; State private line and special access; interstate private line and special access; other State message toll including WATS; other interstate message toll including WATS; and TWX.</p> <p>(i) Local service order processing expense (primarily local telephone service orders) is assigned to the State jurisdiction.</p> <p>(ii) Presubscription service order processing expense is assigned to the interstate jurisdiction.</p> <p>(iii) Directory advertising service order processing expense is assigned to the State jurisdiction.</p> <p>(iv) State private line and special access service order processing expense is assigned to the State jurisdiction.</p> <p>(v) Interstate private line and special access service order processing expense is assigned to the interstate jurisdiction.</p> <p>(vi) Other State message toll including WATS service order processing expense is assigned to the State jurisdiction.</p> <p>(vii) Other Interstate message toll including WATS service order processing expense is assigned to the interstate jurisdiction.</p> <p>(viii) TWX service order processing expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues.</p> <p>(ix) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the categories/subcategories, as specified in Sec. Sec. 36.377(a)(1)(i) through 36.77(a)(1)(viii), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion TWX service order processing expense, as specified in Sec. 36.377(a)(1)(viii) among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End-user service order processing expense, as specified in Sec. Sec. 36.377(a)(1)(i) through 36.377(a)(1)(viii), shall be directly assigned.</p>	X	

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47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. (continued)</p> <p>(2) End User payment and collection includes expenses incurred in relation to the payment and collection of amounts billed to end users. It also includes commissions paid to payment agencies (which receive payment on customer accounts) and collection agencies. This category does not include any payment or collection expenses for services provided to interexchange carriers. End user payment and collection expenses are first segregated into the following subcategories based on relative total state and interstate billed revenues (excluding revenues billed to interexchange carriers and/or revenues deposited in coin boxes) for services for which end user payment and collection is provided: State private line and special access; interstate private line and special access; State message toll including WATS; interstate message toll including WATS, and interstate subscriber line charge; local, including directory advertising; and TWX.</p> <p>(i) State private line and special access payment and collection expense is assigned to the State jurisdiction.</p> <p>(ii) Interstate private line and special access payment and collection expense is assigned to the interstate jurisdiction.</p> <p>(iii) State message toll including WATS payment and collection expense is assigned to the State jurisdiction.</p> <p>(iv) Interstate message toll including WATS and interstate subscriber line charge payment and collection expense is assigned to the interstate jurisdiction.</p> <p>(v) Local, including directory advertising payment and collection expense is assigned to the State jurisdiction.</p> <p>(vi) TWX payment and collection expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues for service for which end user payment and collection is provided.</p> <p>(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. Sec. 36.377(a)(2)(i) through 36.377(a)(2)(vi), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion TWX payment and collection expense, as specified in Sec. 36.377(2)(vi) among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End User payment and collection expense, as specified in Sec. Sec. 36.377(a)(2)(i) through 36.377(a)(2)(vi), shall be directly assigned.</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. (continued)</p> <p>(3) End user billing inquiry includes expenses related to handling end users' inquiries concerning their bills. This category does not include expenses related to the inquiries of interexchange carriers concerning their bills. End user billing inquiry costs are first segregated into the following subcategories based on the relative number of actual contracts, weighted if appropriate, to reflect differences in the average work time per contact: State private line and special access; interstate private line and special access; State message toll including WATS, interstate message toll including WATS, interstate subscriber line charge; TWX; and other.</p> <p>(i) State private line and special access billing inquiry expense is directly assigned to the State jurisdiction.</p> <p>(ii) Interstate private line and special access billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(iii) State message toll including WATS billing inquiry expense is directly assigned to the State jurisdiction.</p> <p>(iv) Interstate message toll including WATS, and interstate subscriber line charge billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(v) TWX billing inquiry expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues for service for which end user billing inquiry is provided.</p> <p>(vi) Other billing inquiry expense (primarily related to local bills but also including directory advertising) is directly assigned to the State jurisdiction.</p> <p>(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. Sec. 36.377(a)(3)(i) through 36.377(a)(3)(vi), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion TWX billing inquiry expense, as specified in Sec. 36.377(a)(3)(v) among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End user billing inquiry expense, as specified in Sec. Sec. 36.377(a)(3)(i) through 36.377(a)(3)(vi), shall be directly assigned.</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. (continued)</p> <p>(4) Interexchange carrier service order processing includes expenses associated with the receipt and processing of interexchange carrier orders for service and inquiries about service. Interexchange carrier service order processing expenses are assigned to the following subcategories based on the relative number of actual contacts which are weighted, if appropriate, to reflect differences in the average work time per contact: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.</p> <p>(i) State special access and private line service order processing expense is directly assigned to the State jurisdiction.</p> <p>(ii) Interstate special access and private line service order processing expense is directly assigned to the interstate jurisdiction.</p> <p>(iii) State switched access and message toll including WATS service order processing expense is directly assigned to the State jurisdiction.</p> <p>(iv) Interstate switched access and message toll including WATS service order processing expense is directly assigned to the interstate jurisdiction.</p> <p>(v) State billing and collection service order processing expense is directly assigned to the state jurisdiction.</p> <p>(vi) Interstate billing and collection service order processing expense is directly assigned to the interstate jurisdiction.</p> <p>(vii) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. Sec. 36.377(a)(4)(i) through 36.377(a)(4)(vi), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interexchange carrier service order processing expense, as specified in Sec. Sec. 36.377(a)(4)(i) through 36.377(a)(4)(vi), shall be directly assigned.</p>	X	



# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. (continued)</p> <p>(5) Interexchange carrier payment and collection includes expenses associated with the payment and collection of interexchange carrier billings, including commissions paid to payment and collection agents. Interexchange carrier payment and collection expenses are assigned to the following subcategories based on relative total State and interstate revenues billed to the interexchange carriers: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.</p> <p>(i) State special access and private line payment and collection expense is directly assigned to the Interstate jurisdiction.</p> <p>(ii) Interstate special access and private line payment and collection expense is directly assigned to the interstate jurisdiction.</p> <p>(iii) State switched access and message toll including WATS payment and collection expense is directly assigned to the State jurisdiction.</p> <p>(iv) Interstate switched access and message toll including WATS payment and collection expense is directly assigned to the interstate jurisdiction.</p> <p>(v) State billing and collection payment and collection expense is directly assigned to the interstate jurisdiction.</p> <p>(vi) Interstate billing and collection payment and collection expense is directly assigned to the State jurisdiction.</p> <p>(vii) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. Sec. 36.377(a)(5)(i) through 36.377(a)(5)(vi), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interexchange carrier payment expense, as specified in Sec. Sec. 36.377(a)(5)(i) through 36.377(a)(5)(vi), shall be directly assigned</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. (continued)</p> <p>(6) Interexchange carrier billing inquiry includes expenses related to the handling of interexchange carrier billing inquiries. Interexchange carrier billing inquiry expenses are assigned to the following subcategories based on the relative number of actual contacts, weighted if appropriate, to reflect differences in the average work time per contact: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.</p> <p>(i) State special access and private line billing inquiry expenses is directly assigned to the State jurisdiction.</p> <p>(ii) Interstate special access and private line billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(iii) State switched access and message toll including WATS billing inquiry expense is directly assigned to the State jurisdiction.</p> <p>(iv) Interstate switched access and message toll including WATS billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(v) State billing and collection billing inquiry expense is directly assigned to the State jurisdiction.</p> <p>(vi) Interstate Billing and Collection billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(vii) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a)(6)(i) through 36.377(a)(6)(vi), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interchange carrier billing inquiry expense, as specified in Sec. Sec. 36.377(a)(6)(i) through 36.377(a)(6)(vi), shall be directly assigned.</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. (continued)</p> <p>(7) Coin collection and administration includes expenses for the collection and counting of money deposited in public or semi-public phones. It also includes expenses incurred for required travel, coin security, checking the serviceability of public or semi-public telephones, and related functions. These expenses are apportioned between the State and interstate jurisdictions in proportion to the relative State and interstate revenues deposited in the public and semi-public telephones.</p> <p>(i) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a)(7), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000.</p> <p>(ii) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Coin collection and administration expense among the jurisdictions using the relative state and interstate revenues deposited in the public and semi-public telephones, as specified in Sec. Sec. 36.377(a)(7), for the twelve month period ending December 31, 2000. Direct assignment of any Coin collection and administration expense among the jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33207, June 21, 2001]</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.378 Category 2--Customer services (revenue accounting).</p> <p>(a) The Revenue Accounting proportion of Account 6620 expenses comprise the salaries and other expenses in Account 6620 directly assignable or allocable to the billing of customers and the accounting for revenues, including the supervision of such work.</p> <p>(b) Revenue Accounting expenses for the study area are separated on the basis of a Job Function analysis into three main classifications: Message processing expense, other billing and collecting expense, and carrier access charge billing and collecting expense.</p> <p>(1) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the classifications, as specified in Sec. 36.378(b), based on the relative percentage assignment of the balance of Account 6620 to those classifications during the twelve month period ending December 31, 2000.</p> <p>(2) [Reserved]</p> <p>(c) The term "ticket" denotes either a ticket prepared manually by an operator or the mechanized equivalent of such a ticket processed by the revenue accounting office.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.379 Message processing expense.</p> <p>(a) This classification includes the salary and machine expense of data processing equipment, including supervision, general accounting administrative and miscellaneous expense associated with the processing of individual toll tickets and local message tickets.</p> <p>(b) The expense assigned to this classification is divided into the subcategories Toll Ticket Processing Expense and Local Message Processing Expense on the basis of the relative number of messages. Toll Ticket Processing Expense is allocated between the State and interstate jurisdiction on the basis of the relative number of toll messages. Local Message Processing Expense is assigned to the exchange operation.</p> <p>(1) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.379(b), based on the relative percentage assignment of the balance of Account 6620 to those subcategories during the twelve month period ending December 31, 2000.</p> <p>(2) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Toll Ticketing Processing Expense among the jurisdictions using the relative number of toll messages for the twelve-month period ending December 31, 2000. Local Message Process Expense is assigned to the state jurisdiction.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p>	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Customer Operations Expenses</p> <p>Sec. 36.380 Other billing and collecting expense.</p> <p>(a) This classification includes the salary expense, including supervision, general accounting administrative, and miscellaneous expense, associated with the preparation of customer bills other than carrier access charge bills and with other revenue accounting functions not covered in Sec. 36.379. Included in this classification are the expenses incurred in the preparation of monthly bills, initial and final bills, the application of service orders to billing records (establishing, changing, or discontinuing customers' accounts), station statistical work, controlling record work and the preparation of revenue reports.</p> <p>(b) Local exchange carriers that bill or collect from end users on behalf of interexchange carriers shall allocate one third of the expenses assigned this classification to the interstate jurisdiction, and two thirds of the expenses assigned this classification to the state jurisdiction.</p> <p>(c) Local exchange carriers that do not bill or collect from end users on behalf of interexchange carriers shall allocate five percent of the expenses assigned this classification to the interstate jurisdiction, and ninety-five percent of the expenses assigned this classification to the state jurisdiction.</p> <p>(d) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Other billing and collecting expense classification based on the relative percentage assignment of the balance of Account 6620 to those subcategory during the twelve month period ending December 31, 2000.</p> <p>(e) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Other billing and collecting expense among the jurisdictions using the allocation factor utilized, pursuant to Sec. Sec. 36.380(b) or 36.380(c), for the twelve month period ending December 31, 2000.</p> <p>[53 FR 33011, Aug. 29, 1988, as amended at 62 FR 15416, Apr. 1, 1997; 66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.381 Carrier access charge billing and collecting expense.</p> <p>(a) This classification includes the revenue accounting functions associated with the billing and collecting of access charges to interexchange carriers.</p> <p>(b) Of access charges other than end user common line access charges are assessed for the origination or termination of intrastate services in a particular state, one-half of such expense shall be apportioned to interstate operations. If no such access charges are assessed in a particular state, all such expense shall be assigned to interstate operations.</p> <p>(c) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Carrier access charge billing and collecting expense classification based on the relative percentage assignment of the balance of Account 6620 to that classification during the twelve month period ending December 31, 2000.</p> <p>(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Carrier access charge billing and collecting expense among the jurisdictions using the allocation factor, pursuant to Sec. 36.381(b), for the twelve-month period ending December 31, 2000.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.382 Category 3--All other customer services expense.</p> <p>(a) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to this category based on the relative percentage assignment of the balance of Account 6620 to this category during the twelve month period ending December 31, 2000.</p> <p>(b) Category 3 is apportioned on the basis of Categories 1 and 2.</p> <p>[66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Corporate Operations Expense</p> <p>Sec. 36.391 General.</p> <p>Corporate Operations Expenses are included in the following account:</p> <p>General and Administrative..... Account 6720.</p> <p>[69 FR 12552, Mar. 17, 2004]</p>	<p>X</p>	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Corporate Operations Expense</p> <p>Sec. 36.392 General and administrative--Account 6720.</p> <p>(a) These expenses are divided into two categories:</p> <p>(1) Extended Area Services (EAS).</p> <p>(2) All other.</p> <p>(b) Extended Area Services (EAS) settlements are directly assigned to the exchange operation.</p> <p>(c) The expenses in this account are apportioned among the operations on the basis of the separation of the cost of the combined Big Three Expenses which include the following accounts:</p> <p style="text-align: center;">Plant Specific Expenses</p> <p>Central Office Switching Expenses--Account 6210 (Class B Telephone Companies); Accounts 6211 and 6212 (Class A Telephone Companies)</p> <p>Operators Systems Expenses-- Account 6220</p> <p>Central Office Transmission Expenses--Account 6230 (Class B Telephone Companies); Accounts 6231 and 6232 (Class A Telephone Companies)</p> <p>Information Origination/Termination Expenses--Account 6310 (Class B Telephone Companies); Accounts 6311, 6341, 6351, and 6362 (Class A Telephone Companies)</p> <p>Cable and Wire Facilities Expense--Account 6410 (Class B Telephone Companies); Accounts 6411, 6421, 6422, 6423, 6424, 6426, 6431, and 6441 (Class A Telephone Companies)</p> <p style="text-align: center;">Plant Non-Specific Expenses</p> <p>Network Operations Expenses--Account 6530 (Class B Telephone Companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A Telephone Companies)</p> <p style="text-align: center;">Customer Operations Expenses</p> <p>Marketing--Account 6610 (Class B Telephone Companies); Accounts 6611 and 6613 (Class A Telephone Companies)</p> <p>Services--Account 6620</p> <p>[52 FR 17229, May 6, 1987, as amended at 69 FR 12552, Mar. 17, 2004]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Operating Taxes</p> <p>Sec. 36.411 Operating taxes--Account 7200 (Class B Telephone Companies); Accounts 7210, 7220, 7230, 7240, and 7250 (Class A Telephone Companies).</p> <p>(a) This account includes the taxes arising from the operations of the company, i.e.,</p> <p>Operating Investment Tax Credits</p> <p>Operating Federal Income Taxes</p> <p>Operating State and Local Income Taxes</p> <p>Operating Other Taxes</p> <p>Provision for Deferred Operating Income Taxes</p>	<p>X</p>	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Operating Taxes</p> <p>Sec. 36.412 Apportionment procedures.</p> <p>(a) For apportionment purposes, the expenses in this account are segregated into two groups as follows: (1) Operating Federal, State and local income taxes and (2) all other operating taxes.</p> <p>(b) Operating Federal, State and local income taxes are apportioned among the operations on the basis of the approximate net taxable income (positive or negative) applicable to each of the operations. The approximate net taxable income from each of the operations is the summation of the following amounts apportioned to each operation by means of the procedures set forth in this Manual:</p> <p>(1) Operating revenues,</p> <p>(2) Less operating expenses,</p> <p>(3) Less operating taxes except the net income tax being apportioned and except any other tax not treated as a deductible item in the determination of taxable net income for this purpose.</p> <p>(4) Less operating fixed charges.</p> <p>(i) The amount of fixed charges attributable to the operations is obtained by subtracting the tax component (positive or negative) attributable to other than the operating fixed charges, i.e., fixed charges on non-operating investments are that proportion of total fixed charges which non-operating net investments are of total operating and non-operating net investments.</p> <p>(ii) Operating fixed charges including interest on Rural Telephone Bank Stock are apportioned among the operations on the basis of the separation of the cost of telephone plant less appropriate reserves.</p> <p>(c) Other operating taxes should be directly assigned to the appropriate jurisdiction where possible, e.g., Local Gross Receipts may be directly identified as applicable to one jurisdiction. Where direct assignment is not feasible, these expenses should be apportioned among the operations on the basis of the separation of the cost of Telecommunications Plant in Service--Account 2001.</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Equal Access Expenses</p> <p>Sec. 36.421 Equal access expenses.</p> <p>(a) Equal access expenses include only initial incremental pre-subscription costs and other initial incremental expenditures related directly to the provision of equal access, that would not be required to upgrade the capabilities of the office involved absent the provision of equal access. Equal access expenses are limited to such expenditures for converting central offices that serve competitive interexchange carriers or where there has been a bona fide request for conversion to equal access.</p> <p>(b) Equal access expenses are apportioned between the jurisdictions by first segregating them from all other expenses in the primary accounts and then allocating them on the same basis as equal access investment.</p>	<p>X</p> <p>X</p>	



## Appendix 1 – Rules

### PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies

#### Subpart E – Reserves and Deferrals

47 C.F.R. PART 36 SUBPART E	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.501 General.</p> <p>For separations purposes, reserves and deferrals include the following accounts:</p> <p>Other Jurisdictional Assets--Net..... Account 1500.</p> <p>Accumulated Depreciation..... Account 3100.</p> <p>Accumulated Depreciation--Property Held for Future Telecommunications Use Account 3200.</p> <p>Accumulated Amortization--Capital Leases..... Account 3410</p> <p>(Class A Telephone Companies); Account 3400 (Class B Telephone Companies)</p> <p>Net Current Deferred Operating Income Taxes..... Account 4100.</p> <p>Net Noncurrent Deferred Operating Income Taxes..... Account 4340.</p> <p>Other Jurisdictional Liabilities and Deferred Credits--Net..... Account 4370.</p> <p>[69 FR 12553, Mar. 17, 2004]</p>	X	
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.502 Other jurisdictional assets--Net--Account 1500.</p> <p>(a) Amounts in this account are separated based upon analysis of the specific items involved.</p>	X	
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.503 Accumulated depreciation--Account 3100.</p> <p>(a) Amounts recorded in this account shall be separated on the basis of the separation of the associated primary Plant Accounts or related categories, excluding amortizable assets.</p>	X	
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.504 Accumulated depreciation--Property held for future telecommunications use--Account 3200.</p> <p>(a) Amounts in this account are apportioned among the operations on the basis of the separation of the costs of the related items carried in Account 2002--Property Held for Future Telecommunications Use.</p>	X	